

EXHIBIT D

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ASSIGNMENT OF RENTS AND SECURITY AGREEMENT INTERSTATE COMMERCE COMMISSION

This Assignment of Rents and Security Agreement is entered into as of March 8, 1979 between BRAE CORPORATION, a California corporation (the "Assignor") and SEAFIRST LEASING CORPORATION, a Washington corporation (the "Assignee").

## RECITALS

The Assignee and the Assignor have entered into a Lease Agreement ("the Lease Agreement") of even date herewith whereby the Assignee has agreed to lease to the Assignor 100 70-Ton 50' General Purpose Boxcars (the "Equipment") to which Lease Agreement reference is hereby made for a more complete description of the Equipment.

The Assignor and Michigan Interstate Railway Company, a Michigan corporation (the "Sublessee"), with its principal place of business at Owosso, Michigan, have entered into a Lease Agreement (the "Sublease") dated December 20, 1978, whereby the Assignor, as Sublessor has subleased the Equipment to Sublessee.

The Assignee's consent to the subleasing of the Equipment by the Assignor to the Sublessee is conditioned upon the Assignor's assigning to the Assignee, as security for the Assignor's obligations to the Assignee under the Lease Agreement, all of the Assignor's right, title and interest in and to the Sublease and the proceeds deriving therefrom.

It is mutually agreed as follows:

1. Assignment of Rents and Grant of Security Interest.

The Assignor, in order to secure the prompt performance of its obligations to the Assignee under the Lease Agreement, does hereby assign and transfer to and grant a security interest in favor of the Assignee in the Sublease, and all proceeds thereof, including, without limitation, all rentals, insurance and insurance proceeds, indemnity payments, termination payments, and all other monies due or to become due thereunder, and all rights of the Assignor to execute any election or option or to give any notice, consent, waiver or approval under or in respect of the Sublease, as well as all rights, powers or remedies on the part of the Assignor whether arising under the Sublease or by statute, at law, in equity or otherwise, arising out any event of default (as defined in the Sublease), provided, however, the foregoing

assignment and security interest shall relate only to the Equipment and not to other equipment which is also subject to the Sublease.

2. No Assignment of Assignor's Obligation. It is expressly agreed, notwithstanding anything herein to the contrary, that the Assignor shall remain liable under the Sublease to perform all of the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions of the Sublease, and Assignor does hereby covenant with the Assignee that it will keep and perform all of the obligations to be performed on the part of the Assignor under the Sublease and will save the Assignee harmless from any failure to do so. The Assignee shall have no obligation or liability under the Sublease by reason of or arising out of this Assignment of Rents and Security Agreement, nor shall the Assignee be required or obligated in any manner, except as herein expressly provided, to perform or fulfill any obligation of the Assignor under or pursuant to the Sublease, or except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim, or to take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

3. Assignee May Act For Assignor. The Assignor does hereby constitute the Assignee the true and lawful attorney of the Assignor, irrevocably, with full power (in the name of the Assignor or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due and to become due from the Sublessee under or arising out of the Sublease, or any document contemplated thereby, to endorse any checks or other instruments or orders in connection therewith and to file claims or take any actions or to institute any proceedings which the Assignee may deem to be necessary or advisable in the premises. Assignor authorizes and empowers the Assignee to collect and receive directly from the Sublessee all monies now due or to become due under the Sublease. If any assigned monies are received by the Assignor, the same will be received by the Assignor as trustee for the Assignee and will be immediately delivered in kind to the Assignee without commingling. In addition, the Assignee shall have all of the rights and remedies afforded a secured party under the Uniform Commercial Code.

4. Representations, Warranties and Covenants of the Assignor. The Assignor hereby warrants and represents that it has not assigned, pledged, or otherwise encumbered, and hereby covenants that it will not assign, pledge, or otherwise encumber so long as this Assignment of Rents and Security Agreement shall remain in effect, any of its right, title or interest hereby assigned to anyone other than the Assignee, and that it has full

right and authority to enter into and perform this Assignment of Rents and Security Agreement in accordance with its terms. The Assignor will not, without the prior written consent of the Assignee, agree to, consent to or permit any assignment with respect to the Sublease as it relates to the Equipment, or any amendment, modification, or waiver which would impair the security of the Assignee in the Sublease. Assignor covenants to reimburse the Assignee upon demand for any expense, including legal fees reasonably incurred by the Assignee in the exercise of the powers conferred upon Assignee hereunder, together with interest thereon at the rate of 12% per annum, or the highest lawful rate, whichever is the lesser, from the date upon which such expenses are incurred.

5. Assignee's Rights Prior to Event of Default. So long as no event of default (as defined in Section 16.A of the Lease Agreement) has occurred and is continuing or so long as no event has occurred and is continuing which would be such an event of default but for the lapse of time or the giving of notice or both, all amounts which would otherwise be assigned and payable to the Assignee pursuant to Section 1 hereof shall be paid directly to and retained by the Assignor, and Assignor shall have the right to exercise all rights as Lessor under the Sublease.

6. Notice of Assignment. Assignor shall promptly give Sublessee written notice of this Assignment of Rents and Security Agreement and provide Assignee with evidence that it has given such notice to Sublessee.

Assignor further agrees that it shall conspicuously mark all of its copies of the sublease with the following legend:

"With respect to the Equipment identified or Schedule Number 1, this Lease Agreement is subject to an Assignment of Rents and Security Agreement made by BRAE Corporation to Seafirst Leasing Corporation," and

that it will deliver to Assignee the copy of the Sublease marked "Original," that it will file a copy of this Assignment of Rents and Security Agreement with the Interstate Commerce Commission in accordance with Section 20(c) of the Interstate Commerce Act and will file all Uniform Commercial Code financing statements and continuations thereof, and take such other actions, all at its own expense, as may be required from time to time in order to perfect and continue the perfection of this Assignment of Rents and Security Agreement.

7. Miscellaneous. This Assignment of Rents and Security Agreement may be executed by the parties hereto in separate counterparts. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be

ineffective to the extent of such prohibition without invalidating the remaining provisions hereof, and any such provision or unenforceability in any jurisdiction shall not invalidate or render unenforceable such a provision in any other jurisdiction. To the extent permitted by applicable law, the Assignor hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. No provision hereof may be changed, waived, or otherwise modified unless done in writing signed by the party against which the enforcement of the change, waiver or other modification is sought. This Assignment of Rents and Security Agreement shall in all respects be governed by and construed in accordance with the laws of the state of Washington.

IN WITNESS WHEREOF, the parties have executed the foregoing agreement as of the day and year first above written.

BRAE CORPORATION, Lessee:

By 

Title President

Address: Three Embarcadero Center  
San Francisco, California

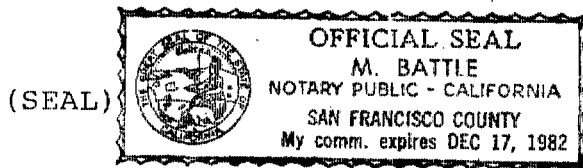
SEAFIRST LEASING CORPORATION

By 

Title VICE-PRESIDENT

STATE OF CALIFORNIA )  
COUNTY OF San Francisco ) ss.

On this 9th day of March, 1979, before me personally appeared W. J. Texido, to me personally known, who being by me duly sworn, says that he is the President of BRAE CORPORATION and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



M. Battle  
NOTARY PUBLIC in and for the State  
of California residing at San Francisco

STATE OF WASHINGTON )  
COUNTY OF KING ) ss.

On this 13th day of March, 1979, before me personally appeared Derry B. Fowler, to me personally known, who being by me duly sworn, says that he is the Vice President of SEAFIRST LEASING CORPORATION and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)

Sheila M. Baumgardner  
NOTARY PUBLIC in and for the State  
of Washington residing at King